

South Bay Area Cost of Denejobiusuç SUPUBU

2003-2004



Welcome to our Survey Readers!

The Home Builders Association of Northern California is enthusiastic about its partnership with the Planning, Building and Code Enforcement Department of the City of San Jose in the preparation of this survey. Our organization is a professional association of home builders, developers, trade contractors, suppliers and related industry specialists who are dedicated to the advancement of the home building industry. Many of our more than 1,000 members do business in the South Bay.

The survey that you are about to read is an innovative product. This is the first attempt at summarizing the key fees costs incurred during the development and construction process of a South Bay home, condominium or commercial building. The information presented is a compilation of city fees as well as data about other costs imposed by public bodies, such as development taxes and impact and capacity fees (park, library, street trees and sewage fees). This broader analysis of the real cost of doing business gives an overall perspective and provides comparative jurisdictional information about development costs to our members, elected officials and public agencies.

Fees and charges vary from year to year, so it is important that the data be kept current, thus enhancing its value to both the private and public sectors. We intend to update the survey as the data changes.

Our sincere thanks to Stephen Haase, Director of the San Jose Planning, Building and Code Enforcement Department, for his vision for the study and his commitment of staff support to make it a reality. Particular credit is owed to Phil Prince, Administrative Officer, San Jose Planning, Building and Code Enforcement Department for his tireless efforts in data collection and analysis. Because of the varied internal structures of South Bay city governments, his time commitment was much greater than initially anticipated.

Finally, we thank the cities of Fremont, Los Gatos, Milpitas, Morgan Hill, Palo Alto, San Jose and Santa Clara for taking the time to participate in this survey. We are confident that the information that they have shared will be valued and appreciated. We hope that additional communities will join them in providing data for future studies.

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Guy Bjerke Chief Operating Officer Home Builders Association of Northern California HOME BUILDERS ASSOCIATION OF NORTHERN CALIFORNIA

2003-04 South Bay Area Cost of Development Survey

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2003-04 South Bay Area Cost of Development Survey Overview

For the 2003-04 South Bay Area Cost of Development Survey, seven south bay cities – Fremont, Los Gatos, Milpitas, Morgan Hill, Palo Alto, San Jose, and Santa Clara – calculated development fees, impact or capacity fees, and development taxes on 5 sample projects. The sample projects were 1) a residential remodel, 2) a 50-unit single-family residential tract development, 3) a 96-unit multi-family (townhouse) residential project, 4) a retail commercial project, and 5) an industrial research and development facility.

While the survey can be used as a starting point for determining the cost obligations that can be expected in different jurisdictions, it is not intended to be a tool for definitive cost comparison. The dollar figures themselves tell only part of the story, as there are significant differences in fee methodology, approaches, assumptions and levels of service from agency to agency. Among the variables that make direct comparison difficult are:

- 1. Differences in the percentage of cost that fees are intended to recover
- 2. Differences in the percentage of cost that fees actually recover
- 3. Some agencies charge flat fees for service, while others accept an initial deposit and charge more when the deposited funds are depleted.
- 4. Various locations within jurisdictions may have different cost burdens.

5. Differences between agencies in performance targets and performance achieved

Organizational Structures and Fee Categories - While acknowledging the limitations these variables place on direct comparison, some background information on the participating agencies is helpful in providing context for the survey results. The cities' organizational structures vary considerably with functions distributed differently across departments and divisions. For this reason development fees are classified in this survey as "entitlement fees" and "construction fees" instead of being labeled by department (such as Building fees and Public Works Fees). The other cost categories are "impact/capacity fees" and "development taxes". While this four cost-category scheme does not work perfectly, it does allow for more consistency for comparison purposes:

- 1. **Entitlement Fees** include fees for land use approval and environmental clearance
- 2. **Construction Fees** include the various building permit, plan check, and public improvement fees related to the construction process.
- 3. Impact/Capacity Fees are fees charged to development projects to mitigate the costs that new development places on community infrastructure or to fund quality of life improvements. Examples include fees for increased sewage volume, parks, libraries, and street trees. School fees are not included this year.

2003-04 South Bay Area Cost of Development Survey Overview

Organizational Structures and Fee Categories (Cont'd)

4. **Development Taxes** are tax assessments on development projects – commonly based on project valuation.

Cost Recovery and Fee Increases - All of the cities that participated in this survey have fee structures that are intended to recover the cost of providing service. For 2003-04, the Morgan Hill and Palo Alto fee structures are 100% cost recovery. After the second year of a phased three-year fee increase plan, San Jose's development services were a combined 98% cost recovery. Los Gatos' fees are recovering about 95% of costs due to unrecovered staff costs on some complex or controversial projects. Development fees in Fremont and Santa Clara are on average about 75-80% cost recovery. While Milpitas has some flat fees for development services that only recover about 50% of the cost, services for most development projects are funded through full cost recovery Project Development Accounts that require initial deposits that are expended on a time and materials basis. All of these agencies are proposing fee increases for 2004-05 to maintain or move closer to full cost recovery. Morgan Hill, which has an enterprise fund for its development services. adjusts Planning fees annually based on the consumer price index.

Fee Structures – Most of the south bay cities surveyed have set fees that are based on an analysis of the cost of service.

Milpitas' initial fees are deposits, as are Planning fees in Fremont. This model requires applicants to pay additional fees if the value of the time and materials provided exceeds the initial deposit. San Jose has implemented a new fee structure for residential building permits and plan check in which the initial fees are charged based on a historic analysis of the average number of inspections or plan review time for the various project types. When the value of the services provided (based on an hourly rate) exceeds the initial fee, additional service time must be purchased.

Other Issues – In some areas, such as noticing requirements, the cities have similar policies that meet the mandated 300' radius threshold for most projects with wider noticing for more complex or controversial uses. There are areas where there are very significant differences between agencies however. Perhaps the most unique condition is in Morgan Hill, which has growth control. The annual limitation on what can be built sometimes results in developers voluntarily paying 2 to 3 times the regular fees to improve the point total for their project in the competition for the limited development opportunities.

Los Gatos has much higher entitlement and construction fees on single-family residential development but lower impact/capacity fees in this sector. San Jose has significantly higher development taxes on all projects than other agencies. Milpitas and Palo Alto have much higher impact/capacity fees on the commercial example than other agencies. Palo Alto also has very much larger impact/capacity fees on the industrial sample project because of their housing impact fee.

2003-04 South Bay Area Cost of Development Survey Overview

Other Issues (Continued)

Los Gatos has integrated an architectural review process that proceeds concurrently with the processing of a planning application. The architectural review results in a faster processing time, as the Planning Commission no longer has to do design review. The applicant covers the cost of the Town's Architectural Consultant

All of the participating agencies have below market rate (BMR) housing requirements on residential projects. The BMR requirements are summarized by city below:

- 1. Fremont has an Inclusionary Housing Ordinance that requires all new residential projects of seven units or more to set-aside at least 15% of all units as affordable.
- 2. Los Gatos has a BMR requirement that is graduated 10% for projects from 5 to 19 units and 20 % when there are more than 100 units. For projects with from 20 to 100 units, the BMR formula is 22.5% of the total number of units minus 2.5 units.
- 3. Milpitas has a 20% BMR requirement for all residential projects in the City, but will consider an inlieu fee for projects with less than 12 units
- 4. Morgan Hill has a 10% requirement on residential development

- 5. Palo Alto has a 20% BMR requirement on projects with 5 or more acres. The City may decide to accept an in-lieu fee of 10% of the sales price of each of the units.
- 6. San Jose has a 20% BMR requirement in Redevelopment Agency areas only.
- 7. Santa Clara has a 10% of units requirement on projects with 10 or more units

The cost to developers of these below market rate housing requirements can be very substantial, but are NOT reflected in this survey because of the difficulty of quantifying that cost on project samples that are not site specific.

In January 2003, state legislation was adopted that allows agencies to include an increment of cost on development fees to pay for the preparation and revision of General Plans. To date, Fremont (10% on building permits), Los Gatos (10% on selected planning applications and 0.5% of building valuation for new square footage), and Morgan Hill (5% maintenance fee) have implemented this fee. San Jose is proposing a new fee (2.4% on entitlement and building permits) beginning in 2004-2005 to fund a comprehensive General Plan update in 2006-2007.

Every effort has been made to include complete cost information for each city. Due to time and resource constraints and survey instructions that were less than crystal clear, however, some data elements are missing where noted.

2003-04 South Bay Area Cost of Development Survey Project Sample 1 - Single Family Home Remodel

Project Specifications

Valuation: \$40,000 Major Kitchen Remodel Remodel 2 Bathrooms

Fixture Changes:

Kitchen - 2 sinks, 2 disposals, Dish Washer, Micro, Double Oven, Range, Exhaust hood

1st bath - Tub/shower, Lav, WC

2nd bath - Shower, Tub, Lav, WC, Bidet

Cost Component	Fremont	Los Gatos	Milpitas	Morgan Hill	Palo Alto	San Jose	Santa Clara
Entitlement Fees	-	-	250	-	340	-	-
Construction Fees	282	1,749	945	1,588	1,819	1,656	1,129
Development Taxes	-	-	-	-	-	620	-
Total Cost	\$ 282	\$ 1,749	\$ 1,195	\$ 1,588	\$ 2,159	\$ 2,276	\$ 1,129

2003-04 South Bay Area Cost of Development Survey Project Sample 1 - Residential Remodel Fee Detail

City/Jurisdiction		City/Jurisdiction	
Cost Element	Cost	Cost Element	Cost
Fremont ¹		San Jose	
KB01:Kitchen/Bath	48	Building Permit	567
KB02:Kitchen/Bath	234	Electrical Permit	243
Fremont Total	282	Mechanical Permit	162
		Plumbing Permit	243
Los Gatos		Plan Check	270
Encroachment Permit for SS Cleanout	224	Record Retention/Duplication Fees	61
Building Permit	1,000	Permit Issuance Fees	110
Electrical/Plumbing/Mechanical Permits	525	Bldg & Struct Tax	616
Los Gatos Total	1,749	SMIPA - Residential	4
		San Jose Total	2,276
Milpitas			
Planning Fees	250	Santa Clara	
Building Fees	945	Building Fees	1,129
Milpitas Total	1,195	Santa Clara Total	1,129
Morgan Hill		Notes:	
Plan Check	754		
Permit Fee	834	¹ Fremont has a fixed non-cost recovery fee for resident	ial remodels
Morgan Hill Total	1,588		
Palo Alto			
Zoning Plan Check	243		
Public Works Plan Check	97		
Permit automation, Microfilm, SMIP	34		
Building Permit fee, valuation	631		
Bldg Permit Plumb, Mech, Elect (min fees)	180		
Building Plan Check fee	609		
Fire and Life Safety Plan Check	365		
Palo Alto Total	2,159		

2003-04 South Bay Area Cost of Development Survey Project Sample 2 - Single Family Residential Development

Project Specifications			
Construction Assumptions:			
Acreage	8		
Lots/Units	50		
# of Models - 3	Model A	Model B	Model C
# of each Model	20	15	15
Square Footage	1,600	2,000	2,400
Square Footage each Model	32,000	30,000	36,000
Total Square Footage	98,000	-	-
Stories	2	2	2
Bedrooms	3	3	4
Restrooms	2	2.5	3
Garage Sq. Ft.	500	500	500
Construction Type	Type V N		
Streets	Public		
Sprinklers	No		
Conditioned (HVAC)	Yes		

Notes:

Planning and Public Works Assumptions:

Project Requires Planned Development Zoning, Planned Development Permit, and Tentative Map, All Medium Complexity

Project Generates 50 Peak Hour Trips

Significant Grading work (10,000CY), Type 1 Erosion/Sediment Control Construction of New Public Streets, \$1,300,000 in Public Improvements

Located in Muni Water Area

No Public Landscaping

No Traffic Signal Work

Blossom Valley Park Fee Rate of \$12,550/Unit.

Range is \$4,700 (Alviso) to \$15,700 (Willow Glen)

Cost Component	F	remont	Los	s Gatos ¹	Milpitas	М	organ Hill	Pa	alo Alto ²	S	an Jose	Santa Clara
Entitlement Fees		16,150		182,122	29,050		18,364		20,972		31,792	 6,475
Construction Fees		475,199		604,044	408,588		435,998		174,818		262,350	631,237
Impact/Capacity Fees		1,494,650		311,350	1,074,550		705,750		544,700		777,550	33,000
Development Taxes		83,655		-	 -		-		-		303,433	1,325
Total Cost	\$	2,069,655	\$ '	1,097,516	\$ 1,512,188	\$	1,160,112	\$	740,490	\$	1,375,125	\$ 672,037
Per Unit Cost	\$	41,393	\$	21,950	\$ 30,244	\$	23,202	\$	14,810	\$	27,502	\$ 13,441

1 Los Gatos numbers do not include sanitary sewer and water connection fees (ave. cost \$307,000)

2 Palo Alto numbers do not include sanitary sewer, storm drain, or water connection fees (ave cost \$347,000)

Fremont

Cost Components:	Project Cost	Per Unit	%		Cost Components:	Project Cost	Per Unit	%
Entitlement Fees					A343: CPF-Insulation	90		
PRP Review	1,700				A350: CPF-Plumbing	144		
PD Preliminary	1,000				A370: CPF-Electrical	150		
PD Precise	2,300				A360: CPF-Mechanical	144		
Preliminary Grading plan	1,600				BP1: Permit Application	1,530		
Tentative Tract Map	4,800				BI1: Building Inspection	34,035		
Plan Review Deposit	4,000				PC1: Pln Chk-Res 1-2	28,930		
Environmental Impact Assessment	750				EL3: Electrical Inspect	1,800		
Entitlement Fees Total:	16,150	323	0.8%		ME07: Mechanical Insp	1,440		
					PL2: PLM Inspection Fee	1,440		
Construction Fees					IN2: Insulation Apps Fees	270		
BP1: Permit Application	2,040				IN4: Insulation Com/Res	900		
BI1: Building Inspection	32,882				DES:DO-Res Standard	75		
PC1: Pln Chk-Res 1-2	27,950				F01: Fire Protection	4,275		
EL3: Electrical Inspect	1,600				A340: CPF-Building	3,403		
ME07: Mechanical Insp	1,920				A342: CPF-Plan	2,893		
PL2: PLM Inspection Fee	1,920				A343: CPF-Insulation	90		
IN2: Insulation Apps Fees	360				A350: CPF-Plumbing	192		
IN4: Insulation Com/Res	1,200				A370: CPF-Electrical	180		
DES:DO-Res Standard	100				A360: CPF-Mechanical	144		
F01: Fire Protection	5,700				Water Acreage Charge (ACWD)	59,960		
A340: CPF-Building	3,782				Water Front Foot/Meter/Engnrng (ACWD)	24,690		
A342: CPF-Plan	3,214				Union Sanitary District Sewer Connection	162,240		
A343: CPF-Insulation	120					475,199	9,504	23.0%
A350: CPF-Plumbing	192				Impact / Capacity Fees			
A360: CPF-Mechanical	192				PF01: Park Facilities Fee	359,500		
A370: CPF-Electrical	200				PD02: Prk Dedication	641,950		
BP1: Permit Application	1,530				CF01: Capital Improve.	131,750		
BI1: Building Inspection	26,049				TI01: Traffic Impact Res	106,300		
PC1: Pln Chk-Res 1-2	22,142				Water Facilities Connection (ACWD)	255,150		
EL3: Electrical Inspect	1,313				Impact / Capacity Fees Total:	1,494,650	29,893	72.2%
ME07: Mechanical Insp	1,440							
PL2: PLM Inspection Fee	1,440				Development Taxes			
IN2: Insulation Apps Fees	270				SMIP: SMIP Res	1,455		
IN4: Insulation Com/Res	900				CTX: Construction Tax	82,200		
DES:DO-Res Standard	75				Development Taxes Total:	83,655	1,673	4.0%
F01: Fire Protection	2,835			П				
A340: CPF-Building	2,605							
A342: CPF-Plan	2,214				Total Project Costs	2,069,655	41,393	100%

Los Gatos

Cost Components:	Project Cost	Per Unit	%		Cost Components:	Project Cost	Per Unit	%
Entitlement Fees					Impact / Capacity Fees			
PD Zoning (no GP Amendment)	19,017				Storm Drain	16,000		
Tentative Map	9,316				Street Trees	8,250		
Negative Declaration (includes initial study for	4,504				Traffic Impact	287,100		
Architecture and Site Approval	134,235							
Traffic Report	15,000							
County Notice of Determination Recording F	50							
Entitlement Fees Total:	182,122	3,642	16.6%		Impact / Capacity Fees Total:	311,350	6,227	28.4%
Construction Fees				╫	L Development Taxes			
Plan Check - Grading Permit	5,408			П				
Inspection - Grading Permit	10,070			П				
Plan Check - Encroachment Permit	55,328							
Inspection - Encroachment Permit	69,680							
Map Check	15,808							
Building Permit - Model A	153,000							
Building Permit - Model B	138,000							
Building Permit - Model C	156,750							
Construction Fees Total:	604,044	12,081	55.0%		Development Taxes Total:	-	-	
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					Total Project Costs	1,097,516	21,950	100%

<u>Milpitas</u>

Cost Components:	Project Cost	Per Unit	%		Cost Components:	Project Cost	Per Unit	%
Entitlement Fees					Impact / Capacity Fees			
PUD initial deposit (4x deposit is max fee)	2,000 - 8,000				Traffic Impact Fee - \$600/unit for single-	30,000		
"S" Zone initial deposit (4x deposit max)	2,000 - 8,000			Ħ	family within City (NOTE - there are			
Tentative Map deposit (4x deposit max)	2,000 - 8,000				additional traffic impact fees for peak hour			
Mit.Neg Dec/Neg. Dec.(County Recording)	50				trips generated for projects near county			
Legal Deposit	5,000			Ħ	roads & in Midtown Specific Plan Area)			
				Ħ	Park Fees	754,650		
				Ħ	Sewer connection fee	95,400		
				Ħ	Treatment plant fee	44,000		
Entitlement Fees Total:	29,050	581	1.9%	Ħ	Water connection fee	95,500		
	·				Storm fee	55,000		
Construction Fees								
Water meter	6,860							
Plan check & inspection fee	130,000							
Building Fees	270,779			Ħ	Impact / Capacity Fees Total:	1,074,550	21,491	71.1%
Planning Plan Check	544			Ħ			•	
Grading Fee	405			П	Development Taxes			
				П	•			
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				П				
Construction Fees Total:	408,588	8,172	27.0%	П	Development Taxes Total:	-	-	
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Ш					Total Project Costs	1,512,188	30,244	100%

Morgan Hill

Cost Components:	Project Cost	Per Unit	%		Cost Components:	Project Cost	Per Unit	%
Entitlement Fees				П	Impact / Capacity Fees			
Residential Growth Control Application	7,103				Park	175,300		
Initial Environmental Report	418			П	Traffic	122,100		
Subdivision	4,578				Sewer	326,250		
Architectural Review Board	3,019				Library	11,200		
Development Agreement	1,973				Community/Rec Centers	18,800		
Zoning/Residential Planner Development	1,223				Police	11,050		
County Notice of Determination Recording F	50			П	Fire	23,200		
				П	General City	17,850		
				П				
Entitlement Fees Total:	18,364	367	1.6%		Impact / Capacity Fees Total:	705,750	14,115	60.8%
Construction Fees				Н	Development Taxes			
Water - Meter	13,850			ш				
- Offsites	70,550			ш				
- Construction Water	6,500			ш				
Storm Drain	66,600			ш				
Engineering/Inspection	111,900			ш				
Map Check	3,725			ш				
Addressing	109			П				
Plan Check	33,595			П				
Permit Fee	128,808			П				<u> </u>
Grading	361			П				
				П				
				П				
Construction Fees Total:	435,998	8,720	37.6%	П	Development Taxes Total:	-	-	
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					Total Project Costs	1,160,112	23,202	100%

Palo Alto

Cost Components:	Project Cost	Per Unit	%	I	Cost Components:	Project Cost	Per Unit	%
Entitlement Fees					Impact / Capacity Fees			
Preliminary Review (ARB),	8,350				Parks	403,550		
Tentative Map 5+, Final Map					Comm Centers	104,650		
Major Project, MND, Legal Fees	12,420				Libraries	36,500		
(initial deposits)					20% BMR dedication required, or in lieu			
Processing fees + recording fees	152				payment (see BMR note below)			
(2 applications)								
County Notice of Determination Recording	50							
Entitlement Fees Total:	20,972	419	2.8%		Impact / Capacity Fees Total:	544,700	10,894	73.6%
Construction Fees					Development Taxes			
PW Plan Check	7,860							
Grading Permit 10,000 cubic yards	2,110			\mathbf{I}				
Permit automation, Microfilm, SMIP	1,098							
Building Permit fee, valuation	47,785							
Bulding Permit Plumbing, Mechanical,	17,715							
Electrical - base + sf								
Building Plan Check fee	49,125							
Fire and Life Safety Plan Check	29,475							
Zoning Plan Check	19,650							
does not include water/sewage/utility con	nection fees							
Construction Fees Total:	174,818	3,496	23.6%		Development Taxes Total:	-	-	
BMR Note:								
With 5 or more acres, a dev								
					sing development equal to 20% of the land are			
					e. Our in-lieu fee would be 10% of the sales pr			
					en the in-lieu fee covering all 50 homes is \$5M	I. The City		į
(not the developer) decides	which solution	to the BMR	R requirer	nei	nt is acceptable.			
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					Total Project Costs	740,490	14,810	100%

San Jose

Cost Components:	Project Cost	Per Unit	%	Щ	Cost Components:	Project Cost	Per Unit	%
Entitlement Fees					Costruction Fees (Cont'd)			
Zoning (PDC) - Res	9,480				Model C - 15 units			
Mitigation Monitoring Fee Res	330			П	Bldg Prmt - NR	20,926		
Environmental Clearance - Res	1,940			П	Elect Prmt - NR	5,354		
Public Noticing	135			П	Mech Prmt - NR	2,677		
Noticing (Up to 4 Sheets)	122			П	Plbg Prmt - NR	5,354		
Newspaper Noticing	680			П	Bldg PC - NR	1,443		
NOD County Clerk Recording Charge	50			П	Record Ret/Dup	1,716		
PD Permit - Res	5,665			Ш	Plot Plan Review	506		
Public Noticing	135			Ш	Permit Issuance - NR	1,650		
T-Map/ VT Amend - Res	5,670			Ш	Grading Permit	2,007		
Public Noticing	135			П	Erosion / Sediment Control	2,575		
Newspaper Noticing	55					3,142		
Planning Permits Review (PDC, PD, PT)	5,850			П	Construction E&I	106,622		
Traffic Report Review Fee	1,545			П	Water Meter / Engineering & Inspection	22,850		
					FE-Arch Plan Review & Inspection	384		
Entitlement Fees Total:	31,792	636	2.3%		Construction Fees Total:	262,350	5,247	19.1%
				Ш				
Construction Fees					Impact / Capacity Fees			
Model A - 20 units					Parkland Dedication In-Lieu Fees	627,500		
Bldg Prmt - NR	25,921.60				Water Area and Frontage Fee	14,000		
Elect Prmt - NR	6,479.20				Major Water Facilities Fee	27,250		
Mech Prmt - NR	3,239.60				Storm and Sanitary Sewer Fees	74,850		
Plbg Prmt - NR	6,479.40				D.O.T. Street Tree Fees	9,350		
Bldg PC - NR	1,358.71				CDDD Solid Waste Deposit A	8,400		
Record Ret/Dup	2,106.00				CDDD Solid Waste Deposit B	7,500		
Plot Plan Review	675.00				CDDD Solid Waste Deposit C	8,700		
Permit Issuance - NR	2,200.00				Impact / Capacity Fee Total:	777,550	15,551	56.5%
Model B - 15 units								
Bldg Prmt - NR	19,441.20				Development Taxes			
Elect Prmt - NR	4,859.55				Bldg & Struct Tax A+B+C	111,304		
Mech Prmt - NR	2,429.70				Const Tax Dist X A+B+C	7,500		
Plbg Prmt - NR	4,859.55				CRMP Tax Residential A+B+C	174,906		
Bldg PC - NR	1,358.71				Res. Const. Tax A+B+C	9,000		
Record Ret/Dup	1,579.50				SMIPA - Residential A+B+C	723		
Plot Plan Review	506.25							
Permit Issuance - NR	1,650.00				Development Taxes Total:	303,433	6,069	22.1%
				Ш				
					Total Project Costs	1,375,125	27,502	100%

Santa Clara

Cost Components:	Project Cost	Per Unit	%		Cost Components:	Project Cost	Per Unit	%
Entitlement Fees				T	Impact / Capacity Fees			
Rezoning	4,200				Sewer Connection Fee (Sewer Treatment	33,000		
Tentative Subdivision Map	1,450				Plant Capacity/Maintenance: \$660 x 50)			
Negative Declaration	775							
County Notice of Determination Recording F	50							
Entitlement Fees Total:	6,475	130	1.0%		Impact / Capacity Fees Total:	33,000	660	4.9%
Construction Fees					Development Taxes			
Tract Map Checking Fee (\$930, plus								
\$16.30 per lot over 5 lots)	1,664				Bedroom Tax	1,325		
Engineering & Inspection Fee (6% x								
\$1,300,000)	78,000				Development Taxes Total:	1,325	27	0.2%
Storm Drain Outlet Charge (\$4221/net acre								
x 6 net acres; assume 2 acre dedicated for								
public right-of-way)	25,326							
Sanittary Sewer Outlet Charge (\$932/lot x								
50Lots)	46,600							
Water Main (\$50/LF frontage x 2,500 LF								
frontage; assume 2,500 If of public street								
frontage) includes Fire Service	125,000							
Water Service & Meters (\$1,857/service-								
mtr x 50 service-meter + \$2,350 irrig)	95,200							
Street Light (\$10.71/LF frontage x (2,500-								
590) LF frontage)	20,456							
Electric Service (\$1,037.41/lot x 50 lots)	51,871							
Street Pavement (existing street frontage:								1 7
590 LF x \$50.55)	29,824							
Curb & Gutter (existing street frontage:								1
590 LF x \$15.45)	9,116							
Sidewalk (existing street frontage: 590 LF x								1
4.5 x \$5.2)	13,806							
Street Light (\$15.90/LF existing frontage x								1
590 LF)	9,381							
Building Fees	124,993							
Construction Fees Total:	631,237	12,625	93.9%					
				1		070.00	40.444	100.00
					Total Project Costs	672,037	13,441	100.0%

2003-04 South Bay Area Cost of Development Survey Project Sample 3 - Multi-Family (Townhouse) Residential Development

Project Specifications			
Construction Assumptions:			
Acreage	6		
Lots/Units	96 Units in 16 B	uildings	
# of Models - 3	Model A	Model B	Model C
# of each Model	28	34	34
Square Footage	1,250	1,500	1,750
Square Footage each Model	35,000	51,000	59,500
Total Square Footage	145,500		
Stories	2	2	2
Bedrooms	2	3	3
Restrooms	2	2	2.5
Garage Sq. Ft.	500	500	500
Construction Type	Type V 1 hr		
Streets	Public / Private		
Sprinklers	Yes		

Yes

Notes:

Conditioned (HVAC)

Planning and Public Works Assumptions:

Project Requires Planned Development Zoning, Planned Development Permit, and Tentative Map, All High Complexity

Project Generates 72 Peak Hour Trips

Significant Grading Work (5,000CY), Type 1 Erosion/Sediment Control Existing Public Street Frontage, Need \$400,000 of Frontage

Improvements (half street reconstruction)

Construction of New Private Streets, \$600,000 in Private Improvements

Located in Muni Water Area

No Public Landscaping

No Traffic Signal Work

Blossom Valley Park Fee Rate of \$10,600/Unit. Range is \$3,950 (Alviso)

to \$13,250 (Willow Glen)

Cost Component	Fremont	Los Gatos ¹	Milpitas	Morgan Hill	Palo Alto ²	San Jose	Santa Clara
Entitlement Fees	14,550	52,952	34,050	18,364	20,972	46,039	7,325
Construction Fees	698,928	839,714	347,538	574,868	241,465	360,462	649,086
Impact/Capacity Fees	1,998,816	361,911	1,401,925	1,094,016	685,152	1,169,000	63,360
Development Taxes	160,009	-	-	-		454,015	2,260
Total Cost	\$ 2,872,303	\$ 1,254,577	\$ 1,783,513	\$ 1,687,248	\$ 947,589	\$ 2,029,516	\$ 722,031
Per Unit Cost	\$ 29,920	\$ 13,069	\$ 18,578	\$ 17,576	\$ 9,871	\$ 21,141	\$ 7,521

1 Los Gatos numbers do not include sanitary sewer and water connection fees (ave. cost \$450,000)

2 Palo Alto numbers do not include sanitary sewer, storm drain, or water connection fees (ave cost \$507,000)

Fremont

Cost Components:	Project Cost	Per Unit	%		Cost Components:	Project Cost	Per Unit	%
Entitlement Fees				П	Construction Fees (Continued)			
PRP Review	1,700				A343: CPF-Insulation	204		
PD Preliminary	1,000				A350: CPF-Plumbing	326		
PD Precise	2,300				A370: CPF-Electrical	255		
Tentative Tract Map	4,800				A360: CPF-Mechanical	326		
Plan Review Deposit	4,000				BP1: Permit Application - Model A	1,530		
Environmental Impact Assessment	750				BI1: Building Inspection	34,719		
					PC1: Pln Chk-Res 1-2	29,511		
Entitlement Fees Total:	14,550	152	0.5%		EL3: Electrical Inspect	2,100		
					ME07: Mechanical Insp	1,440		
Construction Fees					PL2: PLM Inspection Fee	1,440		
BP1: Permit Application - Model C	3,468			П	IN2: Insulation Apps Fees	504		
BI1: Building Inspection	59,045				IN4: Insulation Com/Res	1,680		
PC1: Pln Chk-Res 1-2	50,188				DES:DO-Res Standard	140		
EL3: Electrical Inspect	2,975				F01: Fire Protection	189		
ME07: Mechanical Insp	3,264				A340: CPF-Building	3,472		
PL2: PLM Inspection Fee	3,264				A342: CPF-Plan	2,951		
IN2: Insulation Apps Fees	612				A343: CPF-Insulation	168		
IN4: Insulation Com/Res	2,040				A350: CPF-Plumbing	269		
DES:DO-Res Standard	170				A370: CPF-Electrical	175		
F01: Fire Protection	6,426				A360: CPF-Mechanical	269		
A340: CPF-Building	5,904				Water Acreage Charge (ACWD)	44,970		
A342: CPF-Plan	5,019				Water Front Foot/Meter/Engineering (ACWD	23,031		
A343: CPF-Insulation	204				Union Sanitary District Sewer Connection	280,536		
A350: CPF-Plumbing	326				Construction Fees Total:	698,928	7,280	24.3%
A360: CPF-Mechanical	326							
A370: CPF-Electrical	298				Impact/Capacity Fees			
BP1: Permit Application - Model B	3,468				PF01: Park Facilities Fee	459,456		
BI1: Building Inspection	50,602				PD02: Prk Dedication	820,512		
PC1: Pln Chk-Res 1-2	43,011				CF01: Capital Improve.	168,384		
EL3: Electrical Inspect	2,975				TI01: Traffic Impact Res	158,304		
ME07: Mechanical Insp	3,264				Water Facilities Connection (ACWD)	392,160		
PL2: PLM Inspection Fee	3,264				Impact/Capacity Fee Total:	1,998,816	20,821	69.6%
IN2: Insulation Apps Fees	612				Development Taxes			
IN4: Insulation Com/Res	2,040				SMIP: SMIP Res	2,185		
DES:DO-Res Standard	170				CTX: Construction Tax	157,824		
F01: Fire Protection	6,426				Development Taxes Total:	160,009	1,667	5.6%
A340: CPF-Building	5,060							
A342: CPF-Plan	4,301				Total Project Costs	2,872,303	29,920	100.0%

Los Gatos

Cost Components:	Project Cost	Per Unit	%	I	Cost Components:	Project Cost	Per Unit	%
Entitlement Fees				T	Impact / Capacity Fees			
PD Zoning (no GP Amendment)	19,017				Storm Drain	12,000		
Tentative Map	9,316			П	Street Trees	12,375		
Negative Declaration (incl initial study fee)	4,505				Traffic Impact	337,536		
Architecture and Site Approval	5,064							
Traffic Report	15,000							
County Notice of Determination Recording F	50							
Entitlement Fees Total:	52,952	552	4.2%	I	Impact / Capacity Fees Total:	361,911	3,770	28.8%
Construction Fees				╫	Development Taxes			
Plan Check - Grading Permit	3,328							
Inspection - Grading Permit	5,370			П				
Plan Check - Encroachment Permit	17,888							
Inspection - Encroachment Permit	22,880							
Map Check	30,160							
Plan Check - Private On-Sites	26,208							
Inspection - Private On-Sites	33,280							
Building Permit - Model A	173,600			T				
Building Permit - Model B	244,800							
Building Permit - Model C	282,200			I				
Outstanding Free Fatel	000 744	0.747	00.00/		Development Terror Tetri			
Construction Fees Total:	839,714	8,747	66.9%	+	Development Taxes Total:	-	-	
				+				
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11				╫	<u> </u>			
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				╫	Total Project Costs	1,254,577	13,069	100%

<u>Milpitas</u>

Cost Components:	Project Cost	Per Unit	%		Cost Components:	Project Cost	Per Unit	%
Entitlement Fees				T	Impact / Capacity Fees			i
PUD initial deposit (4x deposit is max fee)	2,000 - 8,000				Traffic Impact Fee - \$500/unit for multi-	48,000		
"S" Zone initial deposit (4x deposit max)	2,000 - 8,000				family within City (NOTE - there are			
Tentative Map deposit (4x deposit max)	2,000 - 8,000				additional traffic impact fees for peak hour			
Mit.Neg Dec/Neg. Dec.(County Recording)	50				trips generated for projects near county			
Legal Deposit	10,000			Ħ	roads & in Midtown Specific Plan Area)			
				Ħ	Park Fees	906,797		
				Ħ	Sewer connection fee	134,976		
				Ħ	Treatment plant fee	66,240		
Entitlement Fees Total:	34,050	355	1.9%	Ħ	Water connection fee	111,744		
				Ħ	Storm fee	134,168		
Construction Fees								
Water meter	13,957							
Plan check & inspection fee	100,000							
Building Fees	231,816				Impact / Capacity Fees Total:	1,401,925	28,039	78.6%
Planning Plan Check	1,360							
Grading Fee	405				Development Taxes			
Construction Fees Total:	347,538	3,620	19.5%		Development Taxes Total:	-	-	
					Total Project Costs	1,783,513	18,578	100%

Morgan Hill

Cost Components:	Project Cost	Per Unit	%		Cost Components:	Project Cost	Per Unit	%
Entitlement Fees					Impact / Capacity Fees			
Residential Growth Control Application	7,103				Park	240,192		
Initial Environmental Report	418				Traffic	164,064		
Subdivision	4,578				Sewer Residential	530,208		
Architectural Review Board	3,019				Library	18,048		
Development Agreement	1,973				Community/Rec Centers	29,472		
Zoning/Residential Planner Development	1,223				Police	65,952		
County Notice of Determination Recording F	50				Fire	17,376		
					General City	28,704		
Entitlement Fees Total:	18,364	191	1.1%		Impact / Capacity Fees Total:	1,094,016	11,396	64.8%
Construction Fees				╫	Development Taxes			
Water - Meter	2,064			Н				
- Offsites	122,208			т				
- Construction Water	2,000			т				
Water and Sewer Frontage	71,400			Н				
Storm Off-Site	54,336							
Engineering/Inspection	40,400			т				
Map Check	3,725							
Addressing	109			T				
Plan Check	56,547			П				
Permit Fee	211,053							
Site Development & Grading	11,026							
(On-Site Improvement Value \$500,000)								
Construction Fees Total:	574,868	5,988	34.1%		Development Taxes Total:	-	-	
				Щ				
				1				
-				\blacksquare	Total Project Costs	1 607 240	17 E7C	1000/
					Total Project Costs	1,687,248	17,576	100%

Palo Alto

Cost Components:	Project Cost	Per Unit	%		Cost Components:	Per Unit	%	
Entitlement Fees				T	Impact / Capacity Fees			
Preliminary Review (ARB),	8,350				Parks	507,168		
Tentative Map 5+, Final Map					Comm Centers	132,192		
Major Project, MND, Legal Fees	12,420				Libraries	45,792		
(initial deposits)					20% BMR dedication required, or in lieu			
Processing fees + recording fees	152				payment (see BMR note below)			
(2 applications)								
County Notice of Determination Recording	50							
Entitlement Fees Total:	20,972	218	2.2%		Impact / Capacity Fees Total:	685,152	7,137	72.3%
L Construction Fees				╫	Development Taxes			
PW Plan Check	10,851							
Grading Permit 5,000 cubic yards	1,477							
Permit automation, Microfilm, SMIP	3,080							
Building Permit fee, valuation	64,158							
Bulding Permit Plumbing, Mechanical,	26,265							
Electrical - base + sf	,							
Building Plan Check fee	67,817							
Fire and Life Safety Plan Check	40,690							
Zoning Plan Check	27,127			I				
does not include water/sewage/utility cor	nection fees							
Construction Fees Total:	241,465	2,515	25.5%	₩	Development Taxes Total:		_	
Construction rees rotal.	241,403	2,313	23.370	Н	Development raxes rotal.			
				Ħ				
BMR Note:				#				
<u>=====================================</u>				T				
For the 96 townhomes, BMR	units would be	required in	the proj	ect	at the rate of 20% x 96 = 19 units. The 19 BN	/IR units would		
need to be the same sizes a	nd unit mix as tl	he market ι	units and	dis	stributed evenly among all 16 buildings. 15%	of the BMR		
					with incomes between 80 & 100 % of the are			
income and the remaining 50	% (5 units) of th	e BMR unit	ts would l	oe :	sold at affordable prices to buyers with income	es between		
100 and 120% of the area m								
				H				
			ļļ			<u> </u>		4555
					Total Project Costs	947,589	9,871	100%

San Jose

Cost Components:	Project Cost	Per Unit	%	I	Cost Components:	Project Cost	Per Unit	%
Entitlement Fees					Costruction Fees (Cont'd)			
PL Zoning (PDC) - Res	13,160				Buildings 15-16 3B units 3C units			
PL Mitigation Monitoring Fee Res	330				Bldg Prmt - NR	10,849		
PL Env Clearance - Res	1,940				Elect Prmt - NR	2,755		
PL Public Noticing	135				Mech Prmt - NR	2,066		
PL ND Noticing (Up to 4 Sheets)	122				Plbg Prmt - NR	2,755		
PL Newspaper Noticing	680				Record Ret/Dup	813		
PL NOD County Clerk O/A Charge	50				Bldg/Plmb/Mech/Elect Permit Issue - NR	472		
PL PD Permit - Res	7,965				Grading Permit	1,680		
PL Public Noticing	135				Erosion / Sediment Control	2,575		
PL Tmap/ VT Amend - Res	7,879				Tract Map	1,030		
PL Public Noticing	135				Construction E&I	106,830		
PL Newspaper Noticing	55				Water Meter / Engineering & Inspection	35,110		
Planning Permits Review (PDC, PD, PT)	11,259				FE-Arch Plan Review & Inspection	23,177		
Traffic Report Review Fee	2,194							
					Construction Fees Total:	360,462	3,755	17.8%
Entitlement Fees Total:	46,039	480	2.3%					
					Impact / Capacity Fees			
Construction Fees					Parkland Dedication In-Lieu Fees	1,017,600		
Bldg PC - NR	35,668				Water Area and Frontage Fee	12,000		
Elect PC - NR	1,389				Major Water Facilities Fee	21,600		
Mech PC - NR	744				Storm and Sanitary Sewer Fees	75,360		
Plbg PC - NR	992				D.O.T. Street Tree Fees	3,740		
Buildings 1-7 4A units 2B units					CDDD Solid Waste Deposit Buildings 1-7	15,400		
Bldg Prmt - NR	33,667				CDDD Solid Waste Deposit Buildings 8-14	18,200		
Elect Prmt - NR	8,316				CDDD Solid Waste Deposit Buildings 15-16	5,100		
Mech Prmt - NR	6,236							
Plbg Prmt - NR	8,316				Impact / Capacity Fee Total:	1,169,000	12,177	57.6%
Record Ret/Dup	2,827							
Bldg/Plmb/Mech/Elect Permit Issue - NR	1,645				Development Taxes			
Buildings 8-14 2B units 4C units					Bldg & Struct Tax Bldgs 1-16	169,358		
Bldg Prmt - NR	38,591				Const Tax Dist X Bldgs 1-16	7,920		
Elect Prmt - NR	9,832				CRMP Tax Residential Bldgs 1-16	266,133		
Mech Prmt - NR	7,372				Res. Const. Tax Bldgs 1-16	9,504		
Plbg Prmt - NR	9,832				SMIPA - Residential Bldgs 1-16	1,100		
Record Ret/Dup	3,281							
Bldg/Plmb/Mech/Elect Permit Issue - NR	1,645				Development Taxes Total:	454,015	4,729	22.4%
					Total Project Costs	2,029,516	21,141	100%

Santa Clara

Cost Components:	Project Cost	Per Unit	%		Cost Components:	Project Cost	Per Unit	%
Entitlement Fees					Impact / Capacity Fees			
Rezoning	4,200				Sewer Connection Fee (Sewer Treatment	63,360		
Tentative Subdivision Map	1,450				Plant Capacity/Maintenance: \$660 x 96)			
Negative Declaration	775							
Architectural Review	850							
County Notice of Determination Recording F	50							
Entitlement Fees Total:	7,325	76	1.0%		· · · · · ·	63,360	660	8.8%
Construction Fees				ж	Development Taxes			
Tract Map Checking Fee (\$930, plus				\blacksquare	l Development raxes			
\$16.30 per lot over 5 lots)	2,413			Ш	Bedroom Tax (\$20 x 28 + \$25 x 68)	2,260		
Engineering & Inspection Fee (6% x	2,413			₩	Bediooiii Tax (\$20 x 28 + \$25 x 68)	2,200		
\$400,000)	24,000				Development Taxes Total:	2,260	24	0.3%
Storm Drain Outlet Charge (\$4221/net acre	·			Т		,		
x 6 net acres; assume 2 acre dedicated for	ļ			Ш				
public right-of-way)	25,326			Ш				
Sanittary Sewer Outlet Charge (\$4,221/acre				П				
x 6 acres)	25,326			Ш				
Water Main (\$50/LF frontage x 511 LF, plus								
\$100/LF of on-site main x 533 LF; assume	ļ			Ш				
511 If of public street frontage and 533 LF								
of on-site main)-incl Fire Svc	78,850			Ш				
Water Service & Meters (\$1,857/service-								
mtr x 96 service-meter + \$2,350 irrig)	180,622			Ш				
Street Light (\$15.90/LF frontage x 511 LF								
frontage; private street lighting by	ļ			Ш				
Developer)	81,249							
Electric Service (\$1,037.41/lot x 96 lots)	99,591							
Street Pavement (existing street frontage:								
511 LF x \$50.55)	25,831							
Curb & Gutter (existing street frontage:								
511 LF x \$15.45)	7,895							
Sidewalk (existing street frontage: 511 LF x								
4.5 x \$5.2)	11,957							
Building Fees	65,621							
Fire Dept. Building Review	16,405							
Fire Sprinklers (13R Systems)	4,000							
Construction Fees Total:	649,086	6,761	89.9%					
					Total Project Costs	722,031	7,521	100.0%

2003-04 South Bay Area Cost of Development Survey Project Sample 4 - Commercial Development - Retail

Project Specificat	ions
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Construction Assumptions:

Acreage	3.5				
Lots	1				
Use	Retail				
Square Footage	50,000				
Stories	1				
Restrooms	10				
Parking	250 Spaces				
Construction Type	Type III 1hr				
Streets	Public				
Sprinklers	Yes				
Conditioned (HVAC)	Yes				
% Build Out	100%				

Planning and Public Works Assumptions:

Project Requires Site Development Permit, Low Complexity

Project Generates 180 Peak Hour Trips

Minor Grading work (500CY), Type 2 Erosion/Sediment Control

Existing Public Street Frontage, Need \$30,000 of Minor Frontage

Improvements

Located in Muni Water Area

No Public Landscaping

No Traffic Signal Work

Sewage Fees Based on Retail Use

Cost Component	Fremo	nt	Los Gatos ¹	I	Milpitas	Morg	gan Hill	Pa	ilo Alto²	Sa	an Jose	Sa	nta Clara
Entitlement Fees	4,	850	10,123		13,050		5,476		5,229		21,597		5,875
Construction Fees	180,	373	186,003		53,669		261,326		73,180		91,945		258,038
Impact/Capacity Fees	278,	759	141,160		1,072,585		385,483		952,000		68,801		9,500
Development Taxes		779	-		-		-		-		182,580		-
Total Cost	\$ 464,	761	\$ 337,286	\$	1,139,304	\$	652,285	\$	1,030,409	\$	364,922	\$	273,413

Notes: 1 Los Gatos numbers do not include sanitary sewer and water connection fees (ave. cost \$113,000)

2 Palo Alto numbers do not include sanitary sewer, storm drain, or water connection fees (ave cost \$145,000)

Fremont

Cost Components:	Current Fees	%		Cost Components:	Current Fees	%
Entitlement Fees			П	Impact / Capacity Fees		
Preliminary Review Process	1,700			CF02: Capital Improve	35,000	
Site Plan and Architectural Review by Planning Comm	2,400			TI02: Traffic Impact	211,500	
Environmental Impact Assessment	750			Water Facilities Conection Charge (ACWD)	32,259	
				-		
Entitlement Fees Total:	4,850	1.0%		Impact / Capacity Fees Total:	278,759	60.0%
Construction Process Fees				Development Taxes		
BP1: Permit Application	48			SMIP: SMIP Other	779	
BI1: Building Inspection	11,841					
PC4: Pln Chk - (Not R-3)	11,841					
IN2: Insulation Apps Fees	18					
IN4: Insulation Com/Res	60					
DES: DO-Com	200					
F02: Fire Protection Fee	5,300					
A340: CPF-Building	1,184					
A342: CPF-Plan	1,184					
A343: CPF-Insulation	6					
Water Acreage Charge (ACWD)	26,233					
Water Front Foot/Meter/Engineering Fees (ACWD)	50,150			Development Taxes Total:	779	0.2%
Union Sanitary District Sewer Connection Fees	72,308					
Construction Process Fees Total:	180,373	38.8%				
				Total Project Costs	464,761	100%

Los Gatos

Cost Components:	Current Fees	%		Cost Components:	Current Fees	%
Entitlement Fees			T	Impact / Capacity Fees		
Architecture and Site	5,568			Storm Drain	7,000	
Negative Declaration	4,505			Traffic Impact	134,160	
County Notice of Determination Recording Fee	50					
Entitlement Fees Total:	10,123	3.0%		Impact / Capacity Fees Total:	141,160	41.9%
Construction Process Fees				Development Taxes		
Plan Check - Grading Permit	520					
Inspection - Grading Permit	479					
Plan Check - Encroachment Permit	2,080					
Inspection - Encroachment Permit	2,808					
Plan Check - Private On-Sites	24,265					
Inspection - Private On-Sites	30,851					
Building Permit	125,000					
Construction Process Fees Total:	186,003	55.1%		Development Taxes Total:	•	0.0%
				Total Project Costs	337,286	100%

<u>Milpitas</u>

Cost Components:	Current Fees	%		Cost Components:	Current Fees	%
Entitlement Fees			П	Impact / Capacity Fees		
"S" Zone Initial Deposit (4x deposit is maximum fee)	2000 to 8000			Traffic Impact Fee - \$3.00 s/f for general commercial	150,000	
Mit. Neg. Dec. or Neg. Dec. (new county recording fee	50			within City (NOTE - there are additional traffic		
Consultant Deposit	5,000			impact fees for peak hour trips generated for projects		
				near county roads andin Midtown Specific Plan Area)		
Entitlement Fees Total:	13,050	1.1%		Park Fees	754,650	
				Sewer connection fee	29,820	
				Treatment plant fee	12,500	
				Water connection fee	50,148	
				Storm fee	75,467	
Construction Process Fees						
Water meter	882					
Plan check & inspection fee	3,000					
Building Fees	48,379					
Planning Plan Check	1,088					
Grading	320					
				Impact / Capacity Fees Total:	1,072,585	94.1%
				Development Taxes		
Construction Process Fees Total:	53,669	4.7%		Development Taxes Total:	-	0.0%
	_			Total Project Costs	1,139,304	100%

Morgan Hill

Cost Components:	Current Fees	%		Cost Components:	Current Fees	%
Entitlement Fees				Impact / Capacity Fees		
Architectural Review Board	3,019			Traffic	359,460	
Initial Environmental Report	418			Police	16,373	
Expanded Initial Environmental Report (if necessary)	1,989			Fire	4,869	
County Recorder for Negative Declaration	50			General City	4,781	
Entitlement Fees Total:	5,476	0.8%		Impact / Capacity Fees Total:	385,483	59.1%
Construction Process Fees				Development Taxes		
Water Meter	277					
Water Frontage	19,890					
Water Off-Site	14,014					
Water Construction	150					
Sewer Frontage	19,890					
Sewer Off-Site	118,296					
Storm Off-Site	28,088					
Engineering / Inspection	3,510					
Plan Check Fee (est)	22,737					
Permit Fee	25,163					
Site Development & Grading	9,310					
Construction Process Fees Total:	261,326	40.1%		Development Taxes Total:	-	0.0%
			П			
			П			
			П			
			П			
				Total Project Costs	652,285	100%

Palo Alto

Cost Components:	Current Fees	%		Cost Components:	Current Fees	%
Entitlement Fees			T	Impact / Capacity Fees		
Preliminary Review (ARB)	775			Parks	171,500	
Major ARB Project, MND, Legal Fee deposit	4,290			Comm Centers	9,500	
Processing fees (2 applications)	114			Libraries	9,000	
County Notice of Determination Recording Fee	50			Housing	762,000	
Entitlement Fees Total:	5,229	0.5%		Impact / Capacity Fees Total:	952,000	92.4%
Construction Process Fees				Development Taxes		
PW Plan Check	3,290					
Grading Permit 500 cubic yards	528					
Permit automation, Microfilm, SMIP (cm'l)	822					
Building Permit fee, valuation	18,341					
Building Permit Plumbing, Mechanical, Electrical base						
Building Plan Check fee	20,562					
Fire and Life Safety Plan Check	12,337					
Zoning Plan Check	8,225					
Does not include water/sewage/utility connection	on fees		Ш			
			Ш			
Construction Process Fees Total:	73,180	7.1%	Ш	Development Taxes Total:	-	0.0%
			Ш			
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			1			
			\blacksquare			
			ĮĮ.		4.000.100	46.55
				Total Project Costs	1,030,409	100%

San Jose

Cost Components:	Current Fees	%		Cost Components:	Current Fees	%
Entitlement Fees			T	Impact / Capacity Fees		
Site Dev Permit (H/HA) - Nres	14,370			CDDD Solid Waste Deposit	2,500	
Environmental Clearance - Nres	1,940			Water Area and Frontage Fee	12,000	
Public Noticing	135			Major Water Facilities Fee	28,600	ĺ
ND Noticing (Up to 4 Sheets)	122			Storm and Sanitary Sewer Fees	25,701	
Planning Permit Review	1,375			Í		
Traffic Report Review Fee	3,605					
NOD County Clerk Recording Charge	50					
			Т			
Entitlement Fees Total:	21,597	5.9%	I	Impact / Capacity Fees Total:	68,801	18.9%
<u> </u>			╫			
Construction Process Fees			\dagger	Development Taxes		
Grading Permit	1,059			Bldg & Struct Tax	59,250	
Erosion / Sediment Control	876			Const Tax Dist X	4,000	
Construction E&I	11,984			CRMP	118,500	
Water Meter	,			SMIPA - Commercial	830	
Bldg Prmt - AO	16,415		Т			
Elect Prmt - AO	7,500					
Mech Prmt - AO	7,500					
Bldg PC - AO	13,991		Т			
Plbg Prmt - AO	7,500					
Record Ret/Dup	1,946					
Elect PC - AO	2,625					
Mech PC - AO	1,875					
Plbg PC - AO	1,875					
Bldg Prmt Issue - AO	28					
Elect Prmt Issue - AO	28					
Mech Prmt Issue - AO	28		П			
Plbg Prmt Issue - AO	28					
Water Meter / Engineering & Inspection	7,660					
FE-Arch Plan Review & Inspection	9,028					
Construction Process Fees Total:	91,945	25.2%		Development Taxes Total:	182,580	50.0%
				Total Project Costs	364,922	100%

Santa Clara

Cost Components:	Current Fees	%		Cost Components:	Current Fees	%
Entitlement Fees			П	Impact / Capacity Fees		
Rezoning if necessary	4,200		П	Sewer Connection Fee (Sewer Treatment Plant	9,500	
Negative Declaration	775		П	Capacity/Maintenance: \$2.5/GPD x 50,000SF		
Architectural Review	850		П	x 0.076 GPD/SF)		
County Notice of Determination Filing Fee	50		П	, in the second		
			T			
			1			
Entitlement Fees Total:	5,875	2.1%	1	Impact / Capacity Fees Total:	9,500	3.5%
	·		1		·	
			1			
Construction Process Fees			1	Development Taxes		
Engineering & Inspection Fee (6% x \$30,000)	1,800		T			
Storm Drain Outlet Charge (\$4221/net acre x 3.5 net	·					
acres; assume 0 acre dedicated for public right-of-						
way)	14,774					
Sanittary Sewer Outlet Charge (\$4,221/acre x 3.5	,		Т			
acres)	14,774					
Water Main (\$50/LF frontage x 390LF; assume 390 lf	,		Т			
of public street frontage)	19,500					
Water Service & Meters (\$4,210 per 2"service-mtr x 2			Т			
each, plus \$2,890 irrig)	11,310					
Fire Service (\$15,550 per 8" service)	15,550		Т			
Street Light (\$15.90/LF frontage x 390LF frontage)	6,201		Т			
Electric Service (\$85/KVA x 600 KVA; assume	,		Т			
600KVA load)	51,000					
Street Pavement (existing street frontage: 390LF x	.,		T			
\$107.75)	42,022					
Curb & Gutter (existing street frontage: 390LF x	,		T			
\$15.45)	6,026					
,	-,-		T			
Sidewalk (existing street frontage: 390LF x 9.5 x \$5.2)	19,266					
Building Fees	43,972		T			
Fire Dept. Building Review	10,993		T			
Fire Sprinklers (13R Systems)	400		T			
Underground Fire Service	450		T			
	0.50.000		#			0.007
Construction Process Fees Total:	258,038	94.4%	\bot	Development Taxes Total:	-	0.0%
			+	Total Business Constr	070 446	4000/
				Total Project Costs	273,413	100%

2003-04 South Bay Area Cost of Development Survey Project Sample 5 - Industrial Development

Projec	ct Si	pecif	icati	ons
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Construction Assumptions:

•	
Acreage	4.5
Lots	1
Use	R&D
Square Footage	100,000
Stories	3
Restrooms	10
Parking	300 Spaces
Construction Type	Type III 1hr
Streets	Public
Sprinklers	Yes
Conditioned (HVAC)	Yes
% Build Out	40%

Planning and Public Works Assumptions:

Project Requires Site Development Permit, Medium Complexity
Project Generates 128 Peak Hour Trips
Minor Grading work (1000CY), Type 2 Erosion/Sediment Control
Existing Public Street Frontage, Need \$200,000 of Frontage
Improvements (repair & upgrades)

Located in Muni Water Area No Public Landscaping

No Traffic Signal Work

Sewage Fees Based on R&D Use

Cost Component	Fremont	Los Gatos ¹	Milpitas	Morgan Hill	Palo Alto ²	San Jose	Santa Clara
Entitlement Fees	4,850	10,123	13,050	5,476	5,229	33,393	5,875
Construction Fees	298,429	215,687	141,133	366,511	192,086	223,440	350,258
Impact/Capacity Fees	327,159	63,060	331,950	266,974	2,755,000	131,267	467,500
Development Taxes	2,230	-	-	-	-	95,548	-
Total Cost	\$ 632,668	\$ 288,870	\$ 486,133	\$ 638,961	\$ 2,952,315	\$ 483,648	\$ 823,633

Notes:

- 1 Los Gatos numbers do not include sanitary sewer and water connection fees (ave. cost \$190,000)
- 2 Palo Alto numbers do not include sanitary sewer, storm drain, or water connection fees (ave cost \$230,000)

Fremont

Cost Components:	Current Fees	%	1	(Cost Components:	Current Fees	%
Entitlement Fees			Т	T	mpact / Capacity Fees		
Preliminary Review Process	1,700				CF02: Capital Improve	79,900	
Site Plan and Architectural Review by Planning Comm	2,400		T		TI02: Traffic Impact	215,000	
Environmental Impact Assessment	750		T		Water Facilities Conection Charge (ACWD)	32,259	
			П	T	Ž , ,	·	
Entitlement Fees Total:	4,850	0.8%	T	Ħ	Impact / Capacity Fees Total:	327,159	51.7%
			T	Ħ	·	,	
			П	T			
			Т	T			
			T	Ħ			
Construction Process Fees			T	Т	Development Taxes		
BP1: Permit Application	48		T		SMIP: SMIP Other	2,230	
BI1: Building Inspection	29,597		T	T			
PC4: Pln Chk - (Not R-3)	29,597		T	T			
IN2: Insulation Apps Fees	18		T	Т			
IN4: Insulation Com/Res	60		П	T			
DES: DO-Com	200		П	П			
F02: Fire Protection Fee	12,200		П	T			
A340: CPF-Building	2,960		П	П			
A342: CPF-Plan	2,960		П	П			
A343: CPF-Insulation	6		П	П			
Water Acreage Charge (ACWD)	33,728		П	П			
Water Front Foot/Meter/Engineering Charges (ACWD)	52,005			П	Development Taxes Total:	2,230	0.4%
Union Sanitary District Sewer Connection Fees	135,050		П	П			
			П	П			
Construction Process Fees Total:	298,429	47.2%	П	П			
				П			
				П			
			П	П			
				T			
			П	П			
				П			
		,	П	П			,
			T	П			
			T	П			
			П	П			
				Ţ			
				Γ	Total Project Costs	632,668	100%

Los Gatos

Cost Components:	Current Fees	%	1	C	Cost Components:	Current Fees	%
Entitlement Fees			П	li	mpact / Capacity Fees		
Architecture and Site	5,568		П		Storm Drain	9,000	
Negative Declaration	4,505		П	П	Traffic impact	54,060	
County Notice of Determination Recording Fee	50		П	П	·		
				П			
Entitlement Fees Total:	10,123	3.5%		П	Impact / Capacity Fees Total:	63,060	21.8%
				П			
				П			
				П			
				П			
Construction Process Fees				Ī	Development Taxes		
Plan Check - Grading Permit	832			\prod			
Inspection - Grading Permit	947			\prod			
Plan Check - Encroachment Permit	9,568						
Inspection - Encroachment Permit	12,480						
Plan Check - Private On-Sites	22,818		П	П			
Inspection - Private On-Sites	29,042						
Building Permit	140,000						
				Ш			
			П	П			
			П	П			
Construction Process Fees Total:	215,687	74.7%			Development Taxes Total:	-	0.0%
				\prod			
				\prod			
				П			
				П			
				\prod			
				\prod			
				\prod			
				Ш			
				Ш	Total Project Costs	288,870	100%

<u>Milpitas</u>

Cost Components:	Current Fees	%	I	Cost Components:	Current Fees	%
Entitlement Fees			П	Impact / Capacity Fees		
"S" Zone Initial Deposit (4x deposit is maximum fee)	2000 to 8000			Traffic Impact Fee - \$1.00 s/f for R&D/Industrial	100,000	
Mit. Neg. Dec. or Neg. Dec. (new county recording fee	50			within City (NOTE - there are additional traffic		
Consultant Deposit	5,000			impact fees for peak hour trips generated for projects		
				near county roads andin Midtown Specific Plan Area)		
Entitlement Fees Total:	13,050	2.7%		Sewer connection fee	38,340	
				Treatment plant fee	63,000	
				Water connection fee	33,581	
				Storm fee	97,029	
Construction Process Fees						
Water meter	7,612					
Plan check & inspection fee	20,000					
Building Fees	112,113					
Planning Plan Check	1,088					
Grading	320					
				Impact / Capacity Fees Total:	331,950	68.3%
				Development Taxes		
Construction Process Fees Total:	141,133	29.0%		Development Taxes Total:	-	0.0%
				Total Project Costs	486,133	100%

Morgan Hill

Cost Components:	Current Fees	%		Cost Components:	Current Fees	%
Entitlement Fees				Impact / Capacity Fees		
Architectural Review Board	3,019		П	Traffic	255,616	
Initial Environmental Report	418			Police	2,655	
Expanded Environmental Report (if necessary)	1,989			Fire	3,654	
County Recorder for Negative Declaration	50			General City	5,049	
Entitlement Fees Total:	5,476	0.9%		Impact / Capacity Fees Total:	266,974	41.8%
Construction Process Fees				Development Taxes		
Water - Meter	294					
Water - Frontage	22,950					
Water - Off-Site	18,018					
Water - Construction Water	1,000					
Sewer - Frontage	22,950					
Sewer - Off-Site	118,296					
Storm - Off-Site	36,113					
Engineering / Inspection	22,200					
Plan Check (est)	55,682					
Permit Fee	58,268					
Site Development & Grading (Site Dev Value @	10,740					
\$600,000)						
Construction Process Fees Total:	366,511	57.4%		Development Taxes Total:	•	0.0%
				Total Project Costs	638,961	100%

Palo Alto

Cost Components:	Current Fees	%	1	Cost Components:	Current Fees	%
Entitlement Fees			T	Impact / Capacity Fees		
Preliminary Review (ARB)	775			Parks	343,000	
Major ARB Project, MND, Legal Fee deposit	4,290			Comm Centers	19,000	
Processing fees (2 applications)	114			Libraries	18,000	
County Notice of Determination Recording Fee	50			Housing	1,524,000	
				Traffic (assume built in Stanford Research Park Area)	851,000	
Entitlement Fees Total:	5,229	0.2%		Impact / Capacity Fees Total:	2,755,000	93.3%
Construction Process Fees				Development Taxes		
PW Plan Check	8,632					
Grading Permit 1,000 cubic yards	1,055					
Permit automation, Microfilm, SMIP (cm'l)	2,572					
Building Permit fee, valuation	53,856					
Building Permit Plumbing, Mechanical, Electrical base	18,075					
Building Plan Check fee	53,948					
Fire and Life Safety plan check	32,369					
Zoning Plan Check	21,579					
Does not include water/sewage/utility connection	on fees					
Construction Process Fees Total:	192,086	6.5%		Development Taxes Total:	-	0.0%
			Ш			
Ш				Total Project Costs	2,952,315	100%

San Jose

Cost Components:	Current Fees	%		Cost Components:	Current Fees	%
Entitlement Fees			П	Water Meter / Engineering & Inspection	15,320	
Site Dev Permit (H/HA) - Nres	22,285		П	Fire Arch Plan Review & Inspection	2,532	
Additional Fees Res	330		П			
Environmental Clearance - Nres	1,940		П	Construction Process Fees Total:	223,440	46.2%
Public Noticing	135		П			
ND Noticing (Up to 4 Sheets)	122		П	Impact / Capacity Fees		
Newspaper Noticing	680		П	CDDD Solid Waste Deposit Shell	2,500	
County Clerk Recording Charge	50		П	CDDD Solid Waste Deposit FI	14,000	
Planning Permit Review	4,014		П	Water Area and Frontage Fee	14,000	
Traffic Report Review Fee	3,837			Major Water Facilities Fee	25,000	
Entitlement Fees Total:	33,393	6.9%	Ш	Storm and Sanitary Sewer Fees	75,767	
Construction Process Fees			Ш	Impact / Capacity Fees Total:	131,267	27.1%
Grading Permit	1,433		П			
Erosion / Sediment Control	876		П	Development Taxes		
Construction E&I	37,557		П	Bldg & Struct Tax Shell	77,952	
Bldg Prmt - AO 100,000 SqFt Shell Building	30,453			Const Tax Dist X	8,000	
Elect Prmt - AO	15,000		П	SMIPA - Industrial	1,637	
Mech Prmt - AO	15,000		П	Bldg & Struct Tax Finish Interior	7,795	
Bldg PC - AO	25,783		П	Const Tax Dist X		
Plbg Prmt - AO	15,000		П	SMIPA - Industrial	164	
Record Ret/Dup	2,000		П			
Elect PC - AO	5,250		П	Development Taxes Total:	95,548	19.8%
Mech PC - AO	3,750		П			
Plbg PC - AO	3,750		П			
Permit Issuance - Bldg/Plumb/Mech/Elect	110		П			
FE-Arch Plan Review & Inspection	16,749		П			
Bldg Prmt - AO 40,000 SqFt Finish Interior	4,603					
Elect Prmt - AO	6,000					
Mech Prmt - AO	6,000					
Bldg PC - AO	3,934					
Plbg Prmt - AO	6,000					
Record Ret/Dup	1,130					
Elect PC - AO	2,100					
Mech PC - AO	1,500					
Plbg PC - AO	1,500					
Permit Issuance - Bldg/Plumb/Mech/Elect	110					
			П			
				Total Project Costs	483,648	100%

Santa Clara

Cost Components:	Current Fees	%	1	Cost Components:	Current Fees	%
Entitlement Fees				Impact / Capacity Fees		
Rezoning if necessary	4,200			Sewer Connection Fee (Sewer Treatment Plant	267,500	
Negative Declaration	775		П	Capacity/Maintenance: \$2.5/GPD x 100,000SF	·	
Architectural Review	850			x 1.07 GPD/SF)		
County Notice of Determination Filing Fee	50		T	Traffic Impact Fee (Local: \$1.0 x 100,000 SF)	100,000	
			T	Traffic Impact fee (Regional: \$1.0 x 100,000 SF), if	,	
				reg'd by Project Clearance Committee & CityCouncil	100,000	ı
			Ħ		100,000	
Entitlement Fees Total:	5,875	0.7%	Ħ	Impact / Capacity Fees Total:	467,500	56.8%
	-,-		T	, , , , , , , , , , , , , , , , , , ,	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	
Construction Process Fees			T	Development Taxes		
Engineering & Inspection Fee (6% x \$200,000)	12,000		#			
Storm Drain Outlet Charge (\$4221/net acre x 4.5 net	,		Ħ			
acres; assume 0 acre dedicated for public right-of-						
(way)	18,994					
Sanittary Sewer Outlet Charge (\$4,221/acre x 4.5	10,001		+			
acres)	18,994			Development Taxes Total:	_	0
Water Main (\$50/LF frontage x 443LF; assume 443 lf	10,001		+			
of public street frontage)	22,150					ı
Water Service & Meters (\$4,210 per 2"service-mtr x 2	22,100		+			
each, plus \$2,890 irrig)	11,310					ı
Fire Service (\$15,550 per 8" service)	15,550		+			
Street Light (\$15.90/LF frontage x 443LF frontage)	7,044		#			
Electric Service (\$85/KVA x 1,000 KVA; assume	7,011		+			
1,000 KVA load)	85,000					
Street Pavement (existing street frontage: 443LF x	33,533		#			
\$77.95)	34,532					ı
Curb & Gutter (existing street frontage: 443LF x	J-1,00Z		\dagger	 		
\$15.45)	6,844					
11	0,044		\dagger	 		
Sidewalk (existing street frontage: 443LF x 4.5 x \$5.2)	10,366					
Plan Check	34,732					
Building Permit	36,560		T			
Misc	25,992		T			
Fire Dept. Building Review	9,140		T			
Fire Sprinklers (13 System)	600		T			
Underground Fire Services	450		T			
Construction Process Fees Total:	350,258	42.5%	#			
	,			Total Project Costs	823,633	100%

2003-04 South Bay Area Cost of Development Survey

ACKNOWLEDGEMENTS

Creating the Bay Area's first ever cost of development survey proved to be challenging and time-consuming for those who worked on this task. The Survey was distributed to 12 south bay cities and the County of Santa Clara on October 30, 2003. The cities included Campbell, Cupertino, Fremont, Los Gatos, Milpitas, Mountain View, Morgan Hill, Palo Alto, San Jose, Santa Clara, Saratoga, and Sunnyvale. Responses deemed to be complete enough for inclusion were received from the seven cities represented in this survey. It should be acknowledged that, while requests from other agencies for fee information is relatively common, the amount of work required to cost this survey's 5 sample projects and supplemental questionnaire was considerable. In addition, follow up inquiries for clarification came during a very busy time of year for public agencies. For these reason the authors of this survey would like to thank the following individuals for their attention, assistance, and going above and beyond in making this survey possible:

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